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UNITED STATES BANKRUPTCY COURT
IN AND FOR THE EASTERN DISTRICT OF WASHINGTON

In re:

No.: **07-00058-FLK11**

HAROLD T. & SHIRLEY M. OSTENSON,

Chapter 11

Debtors.

CONCLUSIONS OF LAW

THIS MATTER came on for hearing on the filing of the "First Amended Plan of Reorganization", docket number 175 filed on July 31, 2007, as amended per Amendment filed August 28, 2008, under docket number 313, ("Plan") and the Court having herein entered its Findings of Fact, based upon the evidence produced, the Court now makes the following:

CONCLUSIONS OF LAW

1. The Plan has been accepted in writing by the creditors and equity security holders whose acceptance is required by law; and

2. The provisions of Chapter 11 have been complied with; the Plan has been proposed in good faith and not by means forbidden by law; and

3. (i) Each holder of a claim or interest has accepted the Plan or will receive or retain under the Plan, property of a value, as of the effective date of the Plan, that is not less than the amount that such holder would receive or retain of the Debtors were

Conclusions of Law-1

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1 liquidated under Chapter 7 of the Code on such date, or (ii) the Plan does not discriminate
2 unfairly, and is fair and equitable with respect to each class of claims or interest that are
3 impaired under the Plan and has not accepted the Plan; and

4 4. All payments made or promised by the Debtors or by a person issuing
5 securities or acquiring property under the Plan or by an other person for services or for
6 costs and expenses in, or in connection with, the Plan and incident to the case, have been
7 fully disclosed to the Court and are reasonable or, if to be fixed after confirmation of the
8 Plan, will be subject to approval of the Court; and

9 5. The identity qualifications and affiliations of the persons who are to be
10 directors or officers, if any, of the Debtors after confirmation of the Plan have been fully
11 disclosed, and the appointment of such persons to such offices or the continued
12 appointment of such persons to such offices, or their continuance therein, is equitable and
13 consistent with the interests of the creditors and equity security holders and with public
14 policy; and

15 6. The identity of any insider that will be employed or retained by the Debtors
16 and their compensation has been fully disclosed; and

17 7. (i) Confirmation of the Plan is not likely to be followed by the liquidation or
18 the need for further financial reorganization of the Debtors or (ii) if the Plan is a Plan of
19 liquidation, the Plan sets a time period in which liquidation will be accomplished, and
20 provides for eventuality if the liquidation is not accomplished in that period; and

21 8. Substantial consummation shall not occur before the sixtieth (60th) day after
22 the Effective Date; and

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25 Conclusions of Law-2

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1 9. Closing of Case: Thirty (30) days following the filing of the final account, the
2 final decree will be entered and the case shall be closed, unless a motion is filed
3 requesting that the final decree not be so entered; and

4 10. Debtor's Plan shall be confirmed.

5 11. If a final account has not been filed within thirty (30) days following the
6 confirmation of the Plan, a final decree may be entered and the case closed, unless a
7 party in interest has filed a written objection.

8 PRESENTED BY:

9 SOUTHWELL & O'ROURKE, P.S.
10

11 BY: /s/ Dan O'Rourke
12 DAN O'ROURKE, WSBA #4911
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Frank L. Kurtz
Frank L. Kurtz
Bankruptcy Judge

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Conclusions of Law-3

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